

SFDR Article 9 (Sub-)Funds – Website Disclosures Sections based on Articles 23 and 37 to 49 [SFDR Delegated Regulation \(EU\) 2022/1288](#)

Full name of the Article 9 (sub-) fund:
Asia Green S.A. SIF-SICAV – Real Estate Fund

Legal entity identifier: N/A

Date of review: June 2024

1. Summary

Buildings are responsible for the estimated 37% of carbon emissions and 34% of energy demand globally¹. Based on that, sustainability in real estate or green buildings play a critical role in mitigation of the climate change.

Major investment objective of the Real Estate Fund (the “REF” or the “Sub-Fund”), the Sub-Fund of Asia Green S.A. SIF-SICAV (the “Fund”), is to invest in sustainable real estate projects in Asia. Environmental sustainability in real estate implies less embodied energy in construction materials, reduced water consumption, increased energy efficiency and reduction of waste produced by the building. This sustainability implication measures ultimately translate into reduced greenhouse gas emissions (“GHG emissions”) and improved comfort and well-being for the end users of the properties. While pursuing sustainable investment as its objective within the meaning of Article 9 SFDR, the Sub-Fund’s Property Investments contribute substantially to climate change mitigation and do no significant harm to the other environmental objectives laid down in Article 9 of the EU Taxonomy Regulation.

Attainment of the sustainability investment objective is guided and ensured by the ESG Policies and Sustainability Strategy of Asia Green Real Estate AG, the Investment Manager of the Fund.

Achievement of environmental sustainability objectives is ensured by the sustainability measures defined by the dedicated team of sustainability professionals, internal Sustainability Team of the Investment Manager. These measures are consistently implemented in all phases of the investment project life cycle – during the planning, construction, and operational phases. As a result, real estate assets in REF’s portfolio demonstrate substantial improvements across major resource categories – savings in energy, GHG, water, energy embodied in construction materials and generation of waste. Effectiveness of the sustainability strategy implementation is confirmed on a yearly basis by the external Global Real Estate Sustainability Benchmark (the «GRESB») assessments and by the green building certification Excellence in Design for Greater Efficiencies (the “EDGE”) of the IFC World Bank Group.

GRESB assessment is the most comprehensive real estate index globally and major external benchmark assessment for projects in the REF’s portfolio. GRESB assessment allows for peer benchmarking of ESG performance and management for property companies and real estate funds around the world. For this purpose, GRESB annually defines peer groups in accordance with geographic location of the asset, type of the real estate asset, total gross floor area (GFA) and type of the company. ESG data for the GRESB assessment is collected at the individual asset level by members of the Sustainability Team throughout the year and reported to GRESB on the following year in order to be used to benchmark real estate projects against both absolute standards and the industry peers. The latest GRESB-assessment demonstrates that REF’s portfolio scores above the overall participant’s average and achieved a GRESB 5 Star rating, which is the highest possible rating. REF was recognized by GRESB Global Sector Leader in 2023 and reached 95 out of 100 points in the GRESB standing

¹ <https://www.cbre.com/insights/reports/decarbonizing-commercial-real-estate>

investment score. In addition, the portfolio ranked first in the peer group within Asia for diversified, office, and residential real estate.

Green building EDGE certification is an external confirmation that the project demonstrates at least 20 percent better performance across three resource categories – savings in energy, water and energy embodied in construction materials. EDGE compares the project to the same type of real estate asset located in the same geographical region. EDGE certification implies that the project’s environmental performance is at least 20% better than the comparable projects for savings on energy, water, and embodied energy in the construction materials. 57% of the assets in REF’s portfolio as measured by NAV have obtained EDGE green building certification.

Apart from that, the Investment Manager maintains an in-house proprietary sustainability tool, EcoTool. All real estate assets are subject to EcoTool assessment at the initial stage of the investment process. Assessments are conducted by the Sustainability Team. The result of the assessment at the initial stage of the investment process is a concrete improvement proposal at the level of the individual asset containing ESG measures that shall be implemented in order to ensure attainment of the sustainable investment objective.

Social aspects of the investment projects are addressed in the Social Policy, according to which the Investment Manager, and its local joint-venture partners, commit to invest in projects, which serve the local community and take into consideration the socio-economic impact on stakeholders in both the construction and operational phases of the building. At the same time, Investment Manager strives to conduct all business affairs in accordance with the highest standards of the business ethics and acts as a socially responsible company and a good corporate citizen.

Investment Manager is committed to adhering to the highest corporate governance standards in all locations where it operates. The organization and management of the Investment Manager is governed by the policies and procedures established in accordance with the Swiss and international corporate governance requirements and stipulated in the major corporate governance documents, which include Articles of Association, Investment Guidelines, the Code of Conduct and Governance Policy. The latter is applicable to all operational entities of the Investment Manager and their ventures.

The Investment Manager maintains the Human Rights Policy, which stipulates the essential elements pertaining to the commitment of the Investment Manager to meet its responsibility to respect and promote international human rights.

The matters of dealing with counterparties, which undertakings are deemed unethical, harmful to society, or in breach of laws or regulations are laid down in the Exclusion Policy. Investment Manager has taken necessary steps to define objective criteria and processes in order to ensure exclusion of cooperation with such counterparties at any stage of the investment project. In line with the sustainable investment objective of the REF, the Investment Manager has committed to follow the United Nations Sustainable Development Goals. Furthermore, the Investment Manager is committed to contribute to the goals of the Paris Agreement and to achieving net zero carbon emissions by 2050.

Zusammenfassung

Weltweit sind Immobilien schätzungsweise für 34% des Energieverbrauchs und 37% der Kohlenstoffemissionen verantwortlich¹. Aus diesem Grund spielt die Nachhaltigkeit von Immobilien oder «green building» eine entscheidende Rolle bei der Eindämmung des Klimawandels.

Das Investitionsziel des Real Estate Fund (der "REF" oder der "Teilfonds"), ein Teilfonds von Asia Green S.A. SIF-SICAV (der "Fonds"), ist die Investition in nachhaltige Immobilienprojekte in Asien. Umweltbezogene Nachhaltigkeit bei Immobilien bedeutet, dass weniger Energie in Baumaterialien enthalten ist, weniger Wasser verbraucht wird, die Energieeffizienz erhöht wird und weniger Abfall durch das Gebäude entsteht. Diese Massnahmen führen zu einer Verringerung der Treibhausgasemissionen ("THG-Emissionen") und einem verbesserten Komfort und Wohlbefinden für die Endnutzer der Immobilien. Im Rahmen der Verfolgung des Ziels nachhaltiger Investments gemäss Artikel 9 SFDR leisten die Immobilieninvestments des Teilfonds einen wesentlichen Beitrag zur Eindämmung des Klimawandels und schaden den anderen in Artikel 9 der EU-Taxonomieverordnung festgelegten Umweltzielen nicht wesentlich.

Das Erreichen des Anlageziels in Bezug auf Nachhaltigkeit wird durch die ESG-Richtlinien und die Nachhaltigkeitsstrategie von Asia Green Real Estate AG, dem Investmentmanager des Fonds, geleitet und sichergestellt.

Das Erreichen der umweltbezogenen Nachhaltigkeitsziele wird durch die Nachhaltigkeitsmassnahmen sichergestellt, welche durch das dedizierte Team von Nachhaltigkeitsexperten, dem internen Sustainability Team des Investment Managers, definiert werden. Diese Massnahmen werden konsequent in allen Phasen des Lebenszyklus von Investmentprojekten umgesetzt - in der Planungs-, Bau- und Betriebsphase. Infolgedessen weisen die Immobilien im REF-Portfolio erhebliche Verbesserungen in wichtigen Ressourcenkategorien auf - Einsparungen bei Energie, Wasser und der in Baumaterialien enthaltenen Energie, sowie bei der Abfallerzeugung. Die Wirksamkeit der Umsetzung der ESG-Strategie wird jährlich durch die externen Bewertungen des Global Real Estate Sustainability Benchmark ("GRESB") und durch die Green Building Certification Excellence in Design for Greater Efficiencies ("EDGE") der IFC World Bank Group bestätigt.

Die GRESB-Bewertung ist der weltweit umfassendste Immobilienindex und die wichtigste externe Benchmark-Bewertung für Projekte im Portfolio des REF. Die GRESB-Bewertung ermöglicht ein Peer-Benchmarking der ESG-Performance und des Managements für Immobilienunternehmen und Immobilienfonds auf der ganzen Welt. Dafür definiert GRESB jährlich Vergleichsgruppen in Abhängigkeit der geografischen Lage des Objekts, der Art des Immobilienobjekts, der Gesamtbruttogeschossfläche ("BGF") und der Art des Unternehmens. Die ESG-Daten für die GRESB-Bewertung werden von den Mitgliedern des Green-Building-Teams im Laufe des Jahres auf der Ebene der einzelnen Anlagen erfasst und im darauffolgenden Jahr selbst an GRESB gemeldet, um Immobilienprojekte sowohl mit absoluten Standards als auch mit Branchenpeers vergleichen zu können. Die aktuellste GRESB-Bewertung zeigt, dass das REF-Portfolio über dem Gesamtdurchschnitt der Teilnehmer liegt. Die jüngste GRESB-

¹ <https://www.cbre.com/insights/reports/decarbonizing-commercial-real-estate>

Bewertung zeigt, dass das REF-Portfolio über dem Gesamtdurchschnitt der Teilnehmer liegt und eine GRESB-Bewertung von 5 Sternen, der höchstmöglichen Bewertung, erhalten hat. REF wurde von GRESB als Global Sector Leader 2023 ausgezeichnet und erreichte 95 von 100 möglichen Punkten in der GRESB-Standing-Investment-Bewertung. Darüber hinaus belegte das Portfolio den ersten Platz in der Peer Group in Asien für diversifizierte Büro- und Wohnimmobilien.

Die "Green Building EDGE"-Zertifizierung ist eine externe Bestätigung dafür, dass das Projekt in drei Ressourcenkategorien - Energie- und Wassereinsparungen sowie in Baumaterialien enthaltene Energie - eine um mindestens 20% bessere Leistung aufweist. EDGE vergleicht das Projekt mit der vergleichbaren Immobilienanlagen in der gleichen geografischen Region. Die EDGE-Zertifizierung impliziert, dass die ESG-Leistung des Projekts mindestens 20% besser ist als die vergleichbaren Projekte in Bezug auf Energie- und Wassereinsparungen sowie die in Baumaterialien enthaltene Energie. 57% der Vermögenswerte im REF-Portfolio, gemessen am NAV haben die EDGE-Zertifizierung für grüne Gebäude erhalten.

Zudem unterhält der Investment Manager ein internes Nachhaltigkeits-Tool, EcoTool. Alle Liegenschaften werden in der Anfangsphase des Investmentprozesses einer EcoTool-Bewertung unterzogen. Die Bewertungen werden vom Green Building Team durchgeführt. Das Ergebnis der Bewertung in der Anfangsphase des Investmentprozesses ist ein konkreter Verbesserungsvorschlag auf der Ebene der einzelnen Liegenschaft, welcher umzusetzende ESG-Massnahmen enthält, um das Erreichen des nachhaltigen Investitionsziels zu gewährleisten.

Soziale Aspekte der Investitionsprojekte werden in der «Social Policy» behandelt, nach welcher sich der Investment Manager und seine lokalen Joint-Venture-Partner verpflichten, in Projekte zu investieren, welche der lokalen Gemeinschaft dienen und die sozioökonomischen Auswirkungen auf die Beteiligten sowohl in der Bau- als auch in der Betriebsphase der Investitionsobjekte berücksichtigen. Gleichzeitig ist der Investment Manager bestrebt, alle geschäftlichen Angelegenheiten in Übereinstimmung mit den höchsten Standards der Geschäftsethik zu führen und als sozial verantwortliches Unternehmen zu handeln.

Der Investment Manager ist verpflichtet, an allen Standorten an denen er tätig ist, die höchsten Corporate-Governance-Standards einzuhalten. Die Organisation und das Management des Investment Managers unterliegen den Richtlinien und Verfahren, die in Übereinstimmung mit schweizerischen und internationalen Corporate-Governance-Anforderungen aufgestellt und in den wichtigsten Corporate-Governance-Dokumenten festgelegt wurden, darunter die Articles of Association, Investment Guidelines, der Code of Conduct und die Governancerichtlinie. Letztere gilt für alle operativen Einheiten des Investment Managers und deren Unternehmen.

Der Investment Manager unterhält eine «Human Rights Policy», in der die wesentlichen Elemente der Verpflichtung des Investment Managers festgelegt sind, seiner Verantwortung für die Achtung und Förderung der internationalen Menschenrechte nachzukommen.

Der Umgang mit Gegenparteien, deren Tätigkeiten als unethisch, gesellschaftsschädigend oder als Verstoss gegen Gesetze oder Vorschriften angesehen werden, ist in der «Exclusion Policy» festgelegt. Der Investment Manager hat die notwendigen Schritte unternommen, um objektive Kriterien und Prozesse zu definieren, um den Ausschluss der Zusammenarbeit mit solchen Gegenparteien in jeder Phase des Investmentprojekts zu gewährleisten.

Im Einklang mit dem nachhaltigen Anlageziel des REF hat sich der Investment Manager verpflichtet, die Ziele für nachhaltige Entwicklung der Vereinten Nationen zu befolgen. Darüber hinaus hat sich der Investment Manager verpflichtet, einen Beitrag zu den Zielen des Pariser Abkommens zu leisten und bis 2050 Netto-Null-Emissionen zu erreichen.

2. No significant harm to the sustainable investment objective

Major investment objective of the Real Estate Fund (the “REF”) is to invest in sustainable real estate projects in Asia. Environmental sustainability in real estate implies less embodied energy in construction materials, reduced water consumption, increased energy efficiency and reduction of waste produced by the building. This sustainability implication measures ultimately translate into reduced greenhouse gas emissions (“GHG emissions”) and improved comfort and well-being for the end users of the properties.

While pursuing sustainable investment as its objective within the meaning of Article 9 SFDR, REF’s investments contribute substantially to climate change mitigation as stipulated in Article 9 of the EU Taxonomy Regulation and are in adherence with the principle of “do no significant harm” with regards to the other environmental objectives. The following measures are taken in order to not cause significant harm on other environmental objectives:

1. Enhanced environmental, social and governance (ESG) due diligence for new acquisitions.
2. Ongoing monitoring of implementation of ESG characteristics during the construction phase in order to ensure obtainment of the external green building certifications.

Within the operational phase, the following measures are being monitored and implemented where possible in all investment projects in REF’s portfolio:

1. Monitoring of environmental performance
2. Water recycling
3. Use of renewable energy
4. Waste reduction and separation
5. Alignment of Property Investments with the Investment Manager’s Social Policy as described in detail below in section “Investment Strategy”

More specifically, in accordance with the technical screening criteria stipulated in Annex 1 of Regulation (EU) 2021/2139, the economic activity “Acquisition and ownership of buildings” should not cause significant harm to one environmental objective, namely “Climate change adaptation”. The material risks in relation to climate change adaptation are identified and assessed based on the location of the real estate assets. Where significant risks are identified, adaption solutions to mitigate the risks are developed.

Further, the Fund ensures adherence to the “do no significant harm” principle by assessing the indicators for adverse impacts on sustainability factors. Due to the fact that 100% of the REF’s assets are real estate projects, the PAI indicators considered in Table 1 and Table 2 are applicable specifically to investments in real estate assets as defined by Annex I of the SFDR RTS. These indicators are being taken into account in order to ensure that no significant harm is done to the other environmental objectives.

The following PAI indicators are monitored and evaluated at the asset level on a continuous basis:

Table 1 Climate and other Environment-Related indicators

Adverse sustainability indicator		Metric
Indicators applicable to investments in real estate assets		
Fossil fuels	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels
Energy efficiency	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets

Table 2 Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in real estate assets		
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		Scope 3 GHG emissions generated by real estate assets
		Total GHG emissions generated by real estate assets
Energy consumption	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter
Waste	Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
Resource Consumption	Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations

Biodiversity	Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets
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Alignment of the REF’s sustainable investment objective with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights is ensured by the Human Rights Policy (the “Policy”), which is in place at the level of Asia Green Real Estate AG (the “Investment Manager”). The Policy is applicable to all companies within Asia Green Real Estate group including ventures of the REF, which is managed by the Investment Manager. The Policy is available upon request sent to the following email address compliance@asiagreen.com.

3. Sustainable investment objective of the financial product

The overall investment objective of the REF is to provide capital appreciation along with regular income as well as medium to long term growth in the value of the REF’s assets by investing in property investments, and in particular, in sustainable real estate in Asia.

Environmental sustainability in real estate implies less embodied energy in construction materials, reduced water consumption, increased energy efficiency and reduction of waste produced by building, which ultimately translates into reduced carbon emissions and improved comfort and well-being for the end-users of the properties. In order to achieve this target, environmental sustainability measures are being implemented in planning, construction and operational phases of the buildings in the REF’s portfolio. As a result, real estate assets in the portfolio of the REF demonstrate substantial contribution to the climate change mitigation. The results are confirmed on a yearly basis by the external Global Real Estate Sustainability Benchmark (GRESB) assessments and by the green building label granted by the Excellence in Design for Greater Efficiencies (EDGE) of the IFC World Bank Group.

The primary geographical focus is on Asia, in particular on the key Asian cities.

4. Investment strategy

The REF's primary aim is to invest in sustainable real estate projects in Asia. In this context, the ESG-characteristics are an integral part of the investment process of the REF as defined in further detail in the "[Sustainability Strategy](#)" which defines the approach in achieving the sustainable real estate investment goal. It also specifies how these goals are measured and communicated to the stakeholders, outlines the relevant sustainability risks and how these are mitigated in course of the investment process.

In order to ensure attainment of the sustainable investment objective by means of the defined investment strategy, the Investment Manager deploys a set of policies, ESG Policies, which regulate procedures aimed at achievement of the ESG targets across areas such as climate change, natural resource use, health and well-being, labour standards and diversity.

Development and implementation of the sustainability strategy is ensured by the established in-house Sustainability Team, whose responsibilities include:

1. performance of internal sustainability assessments by means of the in-house proprietary sustainability tool, EcoTool
2. revision and regular update of the EcoTool
3. commitment to certify, where possible, all new projects with IFC's EDGE Green Building certification
4. implementation of sustainability strategy throughout the project lifecycle, i.e. during due diligence, in acquisition or development, construction and operational phases
5. transparent communication of the results on implementation of the sustainability strategy to major stakeholders (investors, tenants, business partners and employees)
6. regular knowledge sharing with the internal stakeholders via trainings and webinars.

The sustainability strategy requires all projects to be certified with local and international green building labels. Based on it, initial assessment of the local ESG regulatory requirements is an integral part of each investment process. Planning framework aimed at mitigation of environmental, health and safety issues, assessment of land usage, quality of the construction materials as well as potential socio-economic impact on the surrounding communities is part of the due diligence phase of the investment process. The outcome of the assessment conducted by the Sustainability Team is a proposal consisting of a set of measures aimed at improvement of ESG-characteristics of the project. The defined measures are implemented in the planning, construction / acquisition / refurbishment, and operational phases of the investment project. The detailed implementation process is outlined in the "Sustainability Strategy" available at <https://www.asiagreen.com/en/esg>.

The matters of dealing with counterparties, which undertakings are deemed unethical, harmful to society, or in breach of laws or regulations are addressed in the Exclusion Policy. Investment Manager has taken necessary steps to define objective criteria and processes in order to ensure exclusion of cooperation with such counterparties at any stage of the investment project.

Social aspects of the investment projects are addressed in the Social Policy, according to which the Investment Manager, and its local joint-venture partners, commit to invest in projects, which serve the local community and take into consideration the socio-economic impact on stakeholders in both the construction and operational phases of the building.

At the same time, Investment Manager strives to conduct all business affairs in accordance with the highest standards of the business ethics and acts as a socially responsible company and a good corporate citizen. It actively invests in well-being and development of its employees and continuously fosters the culture of openness, accountability, and professionalism. More details to the principles and processes are available in the Code of Conduct and the Human Rights Policy.

Investment Manager is committed to adhering to the highest corporate governance standards in all locations where it operates. The organization and management of the Investment Manager is governed by the policies and procedures established in accordance with the Swiss and international corporate governance requirements and stipulated in the major corporate governance documents which include Articles of Association, the Organizational and Operational Regulations, Authorization Regulations, Regulations of the Investment Committee, Investment Guidelines, the Code of Conduct and Governance Policy.

The remuneration structure of each member of the personnel of the Investment Manager comprises fixed and variable components. The variable component of every employee that is not in the management board is determined on the basis of the personal performance, assessed at least annually based on individual financial and non-financial criteria that are defined in the employee's goals and performance metrics. These performance metrics incorporate key sustainability indicators that reflect the contributions of the ESG criteria on the overall firm and managed funds, and compliance with ESG standard for every employee of Asia Green Real Estate. This aspect helps align the incentives of the employees with the overall sustainability goal of the Company and ensure that compliance with ESG regulation and integration of sustainability risk are spread across all areas and decision levels of the Company.

5. Proportion of investments

100% of the assets in the portfolio of the REF are allocated to investments in real estate. Investment projects in the portfolio of the REF are 100% sustainable, whereby 100% of the investments have a social objective and 57% qualify as environmentally sustainable under EU Taxonomy.

6. Monitoring of the sustainable investment objective

In each of its investment locations the Investment Manager designated several sustainability professionals, who together form the Sustainability Team. The metrics-driven approach to monitoring of attainment of the sustainable investment objective is applied to each of the investment projects in REF’s investment portfolio. In cooperation with the local development partners, Investment Manager developed ESG parameters that are applied by the Sustainability Team in order to ensure effective monitoring of the attainment of sustainable objective throughout the project lifecycle, i.e. starting from due diligence, planning and beginning of construction / acquisition of the asset, to operational phase and until the exit is completed.

Measurement of the attainment of the sustainability objective is ensured via the in-house proprietary sustainability tool, the EcoTool. Furthermore, all real estate assets are externally assessed and if applicable granted EDGE certificate, which is green building certification of the IFC, a member of the World Bank Group. EDGE certification is a confirmation by an external service provider that REF’s buildings demonstrate minimum 20 percent better performance across three resource categories – savings in energy, water and energy embodied in construction materials. Additional external green building standards, such as LEED, WELL, and DGNB, as well as local standards like China Green Star and GreenShip (used only in the markets of China, Singapore, and Indonesia), are utilized to assess the individual ESG characteristics of buildings. The assessments are performed either at the design and construction stage or in the operational phase of a building.

GRESB real estate assessment is the most comprehensive and major external assessment of projects in the REF’s investment portfolio. GRESB assessment is conducted annually and captures information regarding ESG performance at an individual asset and at the portfolio level. In order to ensure implementation of the sustainability objective, collection of the data pertaining to the specific ESG parameters is conducted throughout the whole year in cooperation with the local partners. Periodical meetings of the members of the Sustainability Team are conducted in order to ensure continuous progress towards attainment of the sustainability objective and alignment of the involved stakeholders.

The primarily social aspect of implementation of green building standards in REF’s properties pertains to effective implementation of measures facilitating continuous improvement of human health and well-being inside the buildings and therefore provision of the sustainable living standards for the end-users.

The following sustainability indicators are used to measure the progress towards achieving REF’s sustainable investment objective: (1) greenhouse gas emissions, (2) energy performance, (3) exposure to fossil fuels, (4) waste, (5) resource consumption, (6) biodiversity.

GHG	
GHG Emissions	Asia Green monitors GHG emissions of Scope 1, 2 and 3 through the actual electricity and fossil fuel consumption at the asset level.

Energy Performance	
Energy consumption intensity	Asia Green always aims to further improve existing condition of the properties and therefore to optimize energy efficiency of its assets. The projects are subject to internal sustainability assessments, which major objective is to develop a more energy efficient properties. In order to achieve this goal, the following improvement measures can be implemented: building envelope design, shading device, wall and roof insulation, reflective paint, Low E glass, integration of high efficient electronic equipment (AC, heating, hot water, kitchen equipment, etc.), LED lighting, building management system, and potential of renewable energy installations such as solar panels, heat pumps, etc.
Exposure to energy-inefficient real estate assets	
Fossil fuels	
Exposure to fossil fuels through real estate assets	Asia Green monitors exposure to fossil fuels that is consumed at the asset level such as usage of gensets.
Waste	
Waste production in operations	Asia Green monitors waste parameters through collection of the data pertaining to hazardous and non-hazardous waste from the buildings. Moreover, Asia Green monitors share of real estate assets equipped with facilities for waste sorting and covered by a waste recovery or recycling contract.
Resource consumption	
Raw materials consumption for new construction and major renovations	In case new construction or major renovation project is implemented, Asia Green monitors raw material consumption and assesses embodied energy in the used materials in the frames of EDGE certification.
Biodiversity	
Activities negatively affecting biodiversity-sensitive areas	Biodiversity issues are regulated by the local legislation and captured through the requirement to obtain Environmental Permit applied from the planning to implementation and imposing a monitoring framework that assesses potential risks for land and aquatic biota as well as the diversity of vegetation. Furthermore, potential impact on biodiversity is being monitored through the city zoning codes and land use regulations according to which development can only be conducted in a non-environmental protected areas.

7. Methodologies

The Investment Manager ensures continuous monitoring of effective attainment of the defined ESG objectives via the in-house sustainability tool, EcoTool, and by means of renowned external green building certifications, such as EDGE and GRESB.

All real estate assets are subject to sustainability assessment performed at the initial stage of the investment process by the Sustainability Team via the **EcoTool**. In course of the assessment, Sustainability Team develops individual ESG parameters that will be applied during construction and / or operation of the building. Periodical meetings and site visits with the project stakeholders are conducted on a regular basis in order to perform measurements and ultimately to ensure attainment of the sustainable investment objective.

Generally, internal green building assessment via the **EcoTool** covers ESG parameters of each project with major focus being on the efficient use of energy, water, construction materials, waste, health, and comfort. The result of the assessment at the initial stage of the investment process is a concrete improvement proposal containing ESG measures that shall be implemented through integrative design process, conducted together with the project partner and other stakeholders such as architectural, structural, mechanical-electrical-plumbing consultants, contractors, and vendors/suppliers in order to ensure attainment of the sustainable objective. Integration of multiple specialists ensures effective planning and implementation of the agreed-upon measures during the construction.

EDGE certification is an external confirmation that the buildings demonstrate at least 20 percent better performance than the comparable projects across three resource categories – savings in energy, water and energy embodied in construction materials. EDGE compares the project to the same type of real estate asset located in the same geographical region. At the initial stage of the process, EDGE auditor assesses the building and fills out the required parameters in the EDGE application along with the supporting documents that are required for validation of the input. Further, the data is verified and assessed by the Green Building Council of the EDGE. EDGE certification is granted to an assessed project in case it gets a score of minimum 20% for savings on energy, water and embodied energy in the construction materials compared to the other projects in the same category.

GRESB assessment allows for peer benchmarking of ESG performance and management for property companies and real estate funds around the world. For this purpose, GRESB annually defines peer groups in accordance with geographic location of the asset, type of the real estate asset, total gross floor area (GFA) and type of the company. ESG data for the GRESB assessment is collected at the individual asset level by the dedicated members of the Sustainability Team throughout the year and self-reported to GRESB between April 1st and July 1st of the following year. The data is subject to a multi-layer validation process and is ultimately used to benchmark investment projects against both absolute standards and the industry peers.

Assessment Process in the frames of the GRESB assessment consists of the following three steps:

Step1: Validation

GRESB applies a robust validation process to underpin the accuracy and reliability of the output. It is based on the three-layer data-quality control process designed to ensure submission of high-quality information. The approach to validation was developed by PwC and involves third-party verification by SRI.

Step 2: Objective Scoring

The GRESB scoring model is based on an automated system, which uses a technology platform designed for GRESB by a third party that specialises in data analysis software development. The scoring is completed without manual intervention after data input.

Step 3: Peer benchmarking

Peer comparisons that take into account country, regional, sectoral and investment type variation provide a powerful lens through which ESG performance is benchmarked. Each participant is assigned to a peer group, based on the entity's legal structure (listed or private), property type, GFA and geographical location of the asset.

Assessment results

In October, all assessment participants are provided with the results of their assessment and the relevant benchmarking reports.

GRESB assessment generates two benchmarks:

- The **GRESB Real Estate Benchmark**, which considers management and performance factors
- The **GRESB Development Benchmark**, which considers management and development factors

The **Management Component** measures REF's strategy and leadership; policies and processes; risk management; and its stakeholder engagement approach. It is drawn from information collected at the organizational level.

The **Performance Component** measures REF's asset portfolio performance, drawn from information collected at the asset and portfolio levels. It includes information on performance indicators, such as energy consumption, GHG emissions, water consumption and waste.

The **Development Component** measures REF's efforts to address ESG issues during a building's design, construction, and renovation phases. This component is used by the companies with completed or ongoing projects in construction (building design, site selection or construction) or under major renovation.

Each component (management, performance, and development) carries its own score, which is factored into the entity's GRESB Score and GRESB Rating. In addition to individual results, participants

receive the Portfolio Analysis Tool and the GRESB Benchmark Report. This report provides an in-depth analysis of sustainability performance, enables detailed peer group comparisons and highlights industry best practices. Given this, apart from the possibility to benchmark itself against the comparable companies in the peer group, participation in the GRESB assessment allows Investment Manager to identify concrete areas in which REF’s ESG performance can be further improved.

8. Data sources and processing

Data points as indicated in the below table are used to attain the sustainable investment objective. The data is generated and collected at an individual project level with emphasis being on consumption of water, electricity, fossil fuels, greenhouse gas emissions, and generation of waste. The Sustainability Team is in charge of the data collection and processing. The actual data is being collected continuously throughout the year in cooperation with various stakeholders, such as property management companies, project partners and the tenants.

The collected data represents actual consumption of the REF’s investments. All of the data collected for the standing investments is actual performance data and not an estimation data. Collection of the actual data for the development projects is not feasible since they are not yet operational.

In order to ensure quality, the measurements of the building metering systems are cross-checked against utility invoices. Apart from that, the data is subject to assurance by an external third-party performance data assurance provider. The performance data assurance report conducted by external party validates the data quality.

GHG	
GHG Emissions	GHG emissions of Scope 1, 2 and 3 is collected from the actual electricity and fossil fuel consumption at an individual asset level.
Water	
Water consumption	Total water consumption generated at an individual asset level
Emissions to water	Periodical water quality testing is performed in order to ensure that the water quality meets the standard prescribed locally.
Waste	
Waste consumption	Total waste consumption generated at an individual asset level
Hazardous waste and radioactive waste ratio	Data pertaining to hazardous and non-hazardous waste generation is collected at an individual asset level. The data is split according to the waste type (food waste, cardboards, etc.) and represents concrete weight in kg of a certain waste type.

9. Limitations to methodologies and data

Primarily limitation of the assessments conducted via the proprietary EcoTool, is that these assessments are more of a qualitative rather than quantitative manner. However, it still enables the Investment Manager to assess and develop concrete actions aimed at improvement of the ESG performance of the buildings. To offset this limitation, external quantitative assessment conducted by IFC, part of the World Bank Group, in the frames of the EDGE certification are used. On the other hand, the limitation of EDGE assessments pertains to the fact that the generated savings data represents an estimation in the operational period and does not measure the actuals. However, this limitation is being addressed by the annual GRESB assessments, which requires continuous collection and reporting of the actual ESG data throughout the reporting period.

Based on the above, internal and external ESG assessments conducted and coordinated by the Sustainability Team are complementary to each other and limitations of one are fully offset by the other. For this reason, limitations described above do not affect effective attainment of the REF's sustainable investment objective.

10. Due diligence

Sustainability assessment is always part of the due diligence process, which is the initial stage of the investment procedure, in the course of which suitability of the potential new investment project is being assessed. At this stage, the project in its existing condition is subject to the in-house EcoTool and subsequently to the external EDGE assessment.

The assessments are conducted and coordinated by the Sustainability Team.

The result of the initial EcoTool assessment is a proposal comprising of a set of recommendations aimed at improvement of project's sustainability performance and includes estimation of the pertaining utility cost savings. Implementation of the proposed ESG measures shall ensure that the building is successfully granted external EDGE certification and therefore qualifies as a green building.

The Sustainability Team aims for pragmatic feasible sustainability recommendations that can be implemented in cooperation with the local project partner. Initial assessment is accompanied by the follow-up assessment which is used to show improvements on the following parameters:

Resources

- Reduction of energy consumption
- Reduction of water consumption
- Reduction of waste
- Increase of sustainable material usage

Improvements related to health of the end-users

- Cleaner air
- Cleaner water
- Avoidance of unhealthy construction materials

Improvements related to comfort of the end-users

- Thermal comfort
- Humidity controls
- Light controls
- Layout and landscaping

11. Engagement policies

The Investment Manager is committed to achieving the sustainable investment objective of the REF based on the “Sustainability Strategy” and the related ESG Policies of the Investment Manager.

Environmental activities of the Investment Manager aimed at attainment of the sustainable investment objective imply continuous engagement with the project partners in order to ensure that the investment properties meet environmental objectives. Sustainability Team conducts environmental assessments of the projects at the initial due diligence stage of the investment process, implements the ESG measures aimed at improvement of ESG performance in cooperation with the project partners, performs follow-up assessments in order to make sure that the project is awarded EDGE certification as a green building. Apart from that, Investment Manager proactively applies criteria of the Exclusion Policy, in order to ensure that no counterparties whose business activities are associated with harmful, illicit or unethical practices are part of the investment project.

Social responsibility is considered a cornerstone of the company strategy. Social commitments of the Investment Manager, which are applicable to all ventures of the REF are outlined in the Code of Conduct, Social Policy, and Human Rights Policy. The Investment Manager seeks to make a positive contribution by actively supporting the United Nations’ Social Development Goals (“UN SDGs”).

In line with the above, Investment Manager strives to conduct all business affairs in accordance with the highest business ethics standards, acting as a socially responsible company and a good corporate citizen. The REF and its business partners commit to invest in real estate, which serve the local community and take into consideration the impact on relevant stakeholders throughout the building lifecycle. Apart from that, Asia Green Real Estate actively invests in the well-being and development of its stakeholders, i.e. employees, tenants and buyers of the properties. It fosters culture of openness, accountability and professionalism and continuously improves the way it operates. In order to achieve this, the local teams of the Investment Manager continuously engage with project partners, contractors and the property management companies in order to ensure that the local laws and regulations related to construction industry and building maintenance are always adhered to and that the highest standards of business practices applied in the real estate sector are met.

As an Investment Manager accredited by the Swiss Financial Market Supervisory Authority (FINMA), Asia Green Real Estate is committed to adhering to the highest corporate governance standards. This principle is also applicable to the companies in Asia Green Real Estate group domiciled in China, Hong Kong, Singapore and Indonesia. The organization and management of Asia Green Real Estate is governed by policies and procedures established in accordance with highest corporate governance requirements. While acting independently from the operational management, risk management plays a vital role in the whole organization. By conducting continuous monitoring of the internal processes and systems and assessing risks pertaining to the investments, risk management contributes to substantial minimization of company's risk exposure.

12. Attainment of the sustainable investment objective

In order to ensure attainment of the sustainable investment objective, investment projects are subject to yearly GRESB assessment, one of the most renowned real estate ESG benchmark indices. GRESB is a global ESG benchmark and reporting framework for listed property companies, private property funds, developers and investors that invest directly in real estate.

GRESB assessment offers real estate managers validated ESG data and analytical tools to benchmark ESG performance, identify areas for improvement and serves as a means to engage with investors. In 2023, more than 2'000 listed and non-listed portfolios representing approximately USD 7.2 trillion of GAV across 75 countries and regions participated in the GRESB Assessment.

GRESB was established in 2009 as an investor-led initiative with the mission to provide transparent ESG data to the financial market participants. With this goal in mind, GRESB collects, validates, scores and benchmarks ESG data and provides business intelligence, engagement tools and regulatory reporting solutions for investors, asset managers and the wider industry.

In order to achieve this mission, GRESB developed a consistent framework to measure the ESG performance of individual buildings and portfolios. ESG performance assessments are aligned with the Sustainable Development Goals, the Paris Climate Agreement and major international reporting frameworks.

Sustainability Team collects ESG data at an individual asset level held by the Sub-Fund throughout the year in cooperation with the business partners and property management companies and self-reports this data to GRESB each year between April 1st and July 1st. The reported data is subject to a multilayer validation process, upon completion of which the data is scored and benchmarked. The result is high-quality data that investors and the Investment Manager can use in their decision-making processes.

Assessment results

The results of the assessment and the relevant benchmarking reports are provided in October. Each component (management, performance, and development) carries its own score, which is factored into the entity's GRESB Score and GRESB Rating. By participating in the GRESB assessment, the REF receives comparative ESG business intelligence on where it stands against its peers, a roadmap with the actions that can be taken to improve its ESG performance.

Apart from that, Investment Manager receives comprehensive REF's Portfolio Analysis and the GRESB Benchmark Report, which includes the Real Estate Benchmark and the Development Benchmark. These provide an in-depth analysis of sustainability performance, enable detailed peer group comparisons, and highlight industry best practices.

Alignment of the sustainable investment objective with GRESB is ensured by GRESB's active engagement with the following ESG frameworks and initiatives:

- Principles for Responsible Investment (PRI)
- The Global Reporting Initiative (GRI)
- The Sustainability Accounting Standards Board (SASB)
- The International <IR> Framework
- Customer Data Platform (CDP)
- EU Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Major Green building councils and real estate associations
- Carbon Risk Real Estate Monitor (CRREM)
- The Partnership for Carbon Accounting Financials (PCAF)

In case of any discrepancy or inconsistency between English version and its German translation, the English version shall always prevail.